



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**LARRY B. MARTIN
COMMISSIONER**

FOR IMMEDIATE RELEASE
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CONTACT: DAVID THURMAN
615-741-4806

MARCH REVENUES

NASHVILLE – Tennessee revenue collections reflected mixed results in March. Finance and Administration Commissioner Larry Martin today reported that overall March revenues were \$955.8 million. The general fund was under collected by over \$4 million for March and by \$263.9 million year-to-date.

“March collections continued to reflect weaker than anticipated revenues from the corporate sector, while sales tax collections were stronger,” Martin said. “We believe the recent increase in retail spending is a reflection of renewed consumer confidence and indicates that the economy is slowly recovering. This growth is important in meeting current revenue projections on which the approved budget amendment was based.

“About a fourth of our corporate income taxes often – but not always - occur in the month of April. We will work with the legislature and others to manage the state’s spending and resources regardless of the economic climate, as the state has always done.”

On an accrual basis, March is the eighth month in the 2013-2014 fiscal year. Total tax collections in March were 2.10% above the previous year.

The general fund was under collected by \$4.1 million and the four other funds were over collected by \$6.9 million.

Sales tax collections were \$9.4 million more than the estimate for March. The March growth rate was positive 5.51%. For eight months revenues are under collected by \$23.4 million. The year-to-date growth rate for eight months was positive 3.58%.

Franchise and excise taxes combined were \$11.7 million below the budgeted estimate of \$199.9 million. For eight months revenues are under collected by \$227.0 million. The year-to-date growth rate for eight months was negative 13.51%.

Gasoline and motor fuel collections for March increased by 11.78% and were \$7.4 million above the budgeted estimate. For eight months revenues are over collected by \$3.1 million.

Tobacco taxes collections were \$4.6 million under the budgeted estimate of \$23.6 million. For eight months revenues are under collected in the amount of \$6.9 million.

Inheritance and estate taxes were over collected by \$0.4 million for the month. Year-to-date collections for eight months are \$17.6 million more than the budgeted estimate.

Privilege tax collections were \$33,000 less than the March estimate, and on a year-to-date basis, August through March, collections are \$7.0 million below the estimate.

Business tax collections were \$3.7 million above the March estimate.

All other taxes were under collected by a net of \$1.8 million.

Year-to-date collections for seven months were \$257.0 million less than the budgeted estimate. The general fund was under collected by \$263.9 million and the four other funds were over collected by \$6.9 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19th, 2012 and adopted by the first session of the 108th General Assembly in April 2013. They are available on the state's website at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013, to hear updated revenue projections from the state's various economists. The board met again on December 17 and adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

Table 1
Revenue Collections by Fund
March
2013-2014

Fund	2014				2013	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$792,205,000	\$796,255,000	(\$4,050,000)	-0.51%	\$782,250,000	\$9,955,000	1.27%
Highway Fund	59,748,000	55,342,000	4,406,000	7.96%	54,756,000	4,992,000	9.12%
Sinking Fund	34,077,000	34,043,000	34,000	0.10%	33,179,000	898,000	2.71%
City & County Fund	66,843,000	64,400,000	2,443,000	3.79%	63,016,000	3,827,000	6.07%
Earmarked Fund	2,900,000	2,900,000	0	0.00%	2,901,000	(1,000)	-0.03%
Total	\$955,773,000	\$952,940,000	\$2,833,000	0.30%	\$936,102,000	\$19,671,000	2.10%

Revenue Collections by Tax
March
2013-2014

Tax Source	2014				2013	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$188,224,000	\$199,900,000	(\$11,676,000)	-5.84%	\$211,541,000	(\$23,317,000)	-11.02%
Income	14,470,000	15,019,000	(549,000)	-3.66%	13,215,000	1,255,000	9.50%
Inheritance & Estate	8,810,000	8,385,000	425,000	5.07%	10,193,000	(1,383,000)	-13.57%
Gasoline	45,970,000	41,855,000	4,115,000	9.83%	42,013,000	3,957,000	9.42%
Petroleum Special	4,724,000	4,486,000	238,000	5.31%	4,426,000	298,000	6.73%
Tobacco	18,974,000	23,581,000	(4,607,000)	-19.54%	18,736,000	238,000	1.27%
Beer	1,320,000	1,293,000	27,000	2.09%	1,269,000	51,000	4.02%
Motor Vehicle Registration	27,200,000	27,367,000	(167,000)	-0.61%	26,612,000	588,000	2.21%
Motor Vehicle Title	1,131,000	1,293,000	(162,000)	-12.53%	1,028,000	103,000	10.02%
Mixed Drink	6,292,000	6,043,000	249,000	4.12%	5,594,000	698,000	12.48%
Business	9,103,000	5,390,000	3,713,000	68.89%	5,395,000	3,708,000	68.73%
Privilege	16,485,000	16,518,000	(33,000)	-0.20%	15,183,000	1,302,000	8.58%
Gross Receipts	13,000	(40,000)	53,000	132.50%	56,000	(43,000)	-76.79%
TVA - In Lieu of Tax Payments	27,076,000	28,410,000	(1,334,000)	-4.70%	27,298,000	(222,000)	-0.81%
Alcoholic Beverage	4,227,000	4,112,000	115,000	2.80%	3,901,000	326,000	8.36%
Sales and Use	568,199,000	558,800,000	9,399,000	1.68%	538,532,000	29,667,000	5.51%
Motor Vehicle Fuel	13,395,000	10,330,000	3,065,000	29.67%	10,897,000	2,498,000	22.92%
Severance	157,000	196,000	(39,000)	-19.90%	211,000	(54,000)	-25.59%
Coin-operated Amusement	3,000	2,000	1,000	50.00%	2,000	1,000	NA
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$955,773,000	\$952,940,000	\$2,833,000	0.30%	\$936,102,000	\$19,671,000	2.10%

Table 2
Revenue Collections by Fund
Year-to-Date
August - March
2013-2014

Fund	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$5,967,985,000	\$6,231,847,000	(\$263,862,000)	-4.23%	\$5,969,857,000	(\$1,872,000)	-0.03%
Highway Fund	446,554,000	445,684,000	870,000	0.20%	443,451,000	3,103,000	0.70%
Sinking Fund	273,916,000	274,190,000	(274,000)	-0.10%	267,261,000	6,655,000	2.49%
City & County Fund	550,809,000	544,566,000	6,243,000	1.15%	530,606,000	20,203,000	3.81%
Earmarked Fund	23,200,000	23,201,000	(1,000)	0.00%	23,200,000	0	0.00%
Total	\$7,262,464,000	\$7,519,488,000	(\$257,024,000)	-3.42%	\$7,234,375,000	\$28,089,000	0.39%

Revenue Collections by Tax
Year-to-Date
August - March
2013-2014

Tax Source	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$952,174,000	\$1,179,100,000	(\$226,926,000)	-19.25%	\$1,100,905,000	(\$148,731,000)	-13.51%
Income	27,668,000	30,323,000	(2,655,000)	-8.76%	34,563,000	(6,895,000)	-19.95%
Inheritance & Estate	73,982,000	56,337,000	17,645,000	31.32%	66,963,000	7,019,000	10.48%
Gasoline	402,717,000	400,459,000	2,258,000	0.56%	399,607,000	3,110,000	0.78%
Petroleum Special	41,292,000	41,632,000	(340,000)	-0.82%	41,059,000	233,000	0.57%
Tobacco	172,017,000	178,917,000	(6,900,000)	-3.86%	178,192,000	(6,175,000)	-3.47%
Beer	11,403,000	11,436,000	(33,000)	-0.29%	11,780,000	(377,000)	-3.20%
Motor Vehicle Registration	164,687,000	162,198,000	2,489,000	1.53%	162,267,000	2,420,000	1.49%
Motor Vehicle Title	7,742,000	8,371,000	(629,000)	-7.51%	7,355,000	387,000	5.26%
Mixed Drink	48,553,000	46,577,000	1,976,000	4.24%	44,611,000	3,942,000	8.84%
Business	61,311,000	69,023,000	(7,712,000)	-11.17%	66,578,000	(5,267,000)	-7.91%
Privilege	159,462,000	166,503,000	(7,041,000)	-4.23%	147,910,000	11,552,000	7.81%
Gross Receipts	12,079,000	14,760,000	(2,681,000)	-18.16%	11,212,000	867,000	7.73%
TVA - In Lieu of Tax Payments	223,802,000	229,059,000	(5,257,000)	-2.30%	228,195,000	(4,393,000)	-1.93%
Alcoholic Beverage	36,228,000	35,385,000	843,000	2.38%	34,398,000	1,830,000	5.32%
Sales and Use	4,760,898,000	4,784,300,000	(23,402,000)	-0.49%	4,596,175,000	164,723,000	3.58%
Motor Vehicle Fuel	104,632,000	103,403,000	1,229,000	1.19%	100,898,000	3,734,000	3.70%
Severance	1,656,000	1,613,000	43,000	2.67%	1,603,000	53,000	3.31%
Coin-operated Amusement	141,000	92,000	49,000	53.26%	100,000	41,000	41.00%
Unauthorized Substance	20,000	0	20,000	NA	4,000	16,000	NA
Total	\$7,262,464,000	\$7,519,488,000	(\$257,024,000)	-3.42%	\$7,234,375,000	\$28,089,000	0.39%